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March 16, 2009

Hon. Shirley Werner Kornreich
Justice, Supreme Court
State of New York
County of New York
111 Centre Street, Room 536
New York, New York 10013

Re: *The Estate of Yaron Unger et al. v. Palestinian Authority et al.*

Index No. 105521/05

Dear Justice Kornreich:

Pursuant to the discussion we had at the hearing in the above matter last Thursday, I enclose a copy of the Order staying a proceeding brought by the Ungar estate in federal district court in Connecticut to enforce the judgment obtained in the District of Rhode Island. As Your Honor can see, Judge Dorsey granted the stay on the basis of the Palestinian Authority's pending motion to vacate the judgment in the District of Rhode Island.

As I was unable to locate a signed copy of the Order, I enclose, with the unsigned

Hon. Shirley Werner Kornreich

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March 16, 2009

Order, the PACER docket sheet showing that an Order granting a motion to stay was signed by Judge Dorsey (Entry 158.)

Respectfully,


Amy Rothstein

Enclosure

cc: w/enclosure; by e-mail:

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UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

DAVID STRACHMAN, Administrator of the :
Estate of Yaron Ungar, et al., :
: :
v. : Case No. 3:05-mc-00208(PCD)
: :
THE PALESTINIAN AUTHORITY, et al., :
:

ORDER

This case's complexity is demonstrated by the substantial number of pending motions and the stack of filed memoranda and supporting documents. This situation arises from the plaintiffs' effort to effectuate satisfaction of a \$116,000,000 judgment in their favor rendered by the United States District Court for the District of Rhode Island. Their effort includes reaching for assets of the judgment debtor, the Palestinian Authority (the "PA), and the Palestinian Investment Fund ("PIF"), an apparent legal entity to which the PA has entrusted funds. The plaintiffs' effort has resulted in a judgment in the Rhode Island District Court vesting ownership of the PIF in plaintiffs, pursuant to which plaintiffs brought the action in this Court to reach PIF's interest in Canaan Equity Offshore C.V., Canaan Equity II Offshore C.V., and Canaan Equity III Offshore C.V. (collectively "the Canaan Entities"). Purportedly by reason of his capacity as Chief Executive Officer of the PIF, Dr. Mohammad Mustafa seeks to intervene to assert the interest of the Palestinian people in the assets held by PIF.

The parties contend that there are motions pending before this Court, subjects of extensive and often repetitive pleading, which may resolve the question of who should be deemed to own PIF in the face of the Rhode Island District Court's order vesting it in plaintiffs. That question will necessitate a review for legal validity of several of the Rhode Island District Court's rulings, a review subject to serious question as to the jurisdiction of this Court to do so.

However, the unraveling of the legal issues clouding the plaintiffs' enforcement effort in this Court may be in the offing in view of a recently filed motion in Rhode Island that seeks to reopen and vacate the original default judgment against the PA that spawned this and other related litigation. A decision there, subject to Circuit and perhaps Supreme Court appeals, could affect the proceedings in this case or render moot its end results if this case is processed to finality in the meantime.

The better use of judicial resources suggests deferral of proceedings here to await a more precise defining of the issues by the Rhode Island District Court, as suggested by Canaan Entities in their motion to stay this action [Doc. No. 147]. Such a course would also avoid this Court's having to review the legal efficacy of another court's judgment. The Court notes that the PA's pending Rhode Island motion to reopen the default judgment alone will not necessarily resolve all of the issues presently before this Court, for if the judgment is not vacated, the legal efficacy of vesting the plaintiffs with ownership of the PIF must still be determined, an issue which is not known to be raised by any presently pending motion in Rhode Island. Accordingly, the Canaan Entities' Motion to Stay [Doc. No. 147] is **granted**, and this case (including Dr. Mustafa's motion to intervene [Doc. No. 139] and the motions which can purportedly determine the ownership and officerships of PIF [Doc. Nos. 65, 97, 98, 106, and 109]) will be **stayed** pending resolution of the legal efficacy of plaintiffs' judgment and its vesting with the indicia of PIF ownership by the Rhode Island District Court.

SO ORDERED:

Dated at New Haven, Connecticut this 2nd day of May, 2008.

/s/

PETER C. DORSEY
UNITED STATES DISTRICT JUDGE

APPEAL, EFILE, STAYED

U.S. District Court
United States District Court for the District of Connecticut (New Haven)
CIVIL DOCKET FOR CASE #: 3:05-mc-00208-PCD

Strachman et al v. Palestinian Authority et al
Assigned to: Judge Peter C. Dorsey
Cause: Registration of Foreign Judgment

Date Filed: 06/29/2005
Jury Demand: None
Nature of Suit: 990 Other
Jurisdiction: Federal Question

Plaintiff

David Strachman
Admin of Est of Yaron Ungar & Efrat Ungar

represented by **David J. Strachman**
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LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Plaintiff

Dvir Ungar
Minor, by his guardian & next friend
Professor Meyer Ungar

represented by **David J. Strachman**
(See above for address)
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Plaintiff

Judith Ungar

represented by **David J. Strachman**
(See above for address)
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Stephen P. Wright
(See above for address)
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Plaintiff

		<i>Default Judgment</i> filed by The Estate of Yaron Ungar. (Attachments: # 1 Exhibit A, # 2 Exhibit B, # 3 Exhibit C, # 4 Exhibit D, # 5 Exhibit E, # 6 Exhibit F)(Strachman, David) (Entered: 04/22/2008)
04/23/2008	152	EXHIBIT B Part 1 by David Strachman re 151 Response,re 147 Motion to Stay. (Wright, Stephen) Modified on 4/24/2008 to create link to underlying motion(Falcone, K.). (Entered: 04/23/2008)
04/23/2008	153	EXHIBIT B Part 2 by David Strachman re 151 Response,re 147 Motion to Stay. (Wright, Stephen) Modified on 4/24/2008 to create link to underlying motion(Falcone, K.). (Entered: 04/23/2008)
04/23/2008	154	EXHIBIT B Part 3 by David Strachman re 151 Response,re 147 Motion to Stay. (Wright, Stephen) Modified on 4/24/2008 to create link to underlying motion(Falcone, K.). (Entered: 04/23/2008)
04/23/2008	155	EXHIBIT C by David Strachman re 151 Response,re 147 Motion to Stay. (Wright, Stephen) Modified on 4/24/2008 to create link to underlying motion(Falcone, K.). (Entered: 04/23/2008)
04/23/2008	156	EXHIBIT D by David Strachman re 151 Response,re 147 Motion to Stay. (Wright, Stephen) Modified on 4/24/2008 to create link to underlying motion(Falcone, K.). (Entered: 04/23/2008)
04/29/2008	157	REPLY to Response to 147 MOTION to Stay <i>Pending Final Disposition of Motion to Vacate Ungar Default Judgment</i> filed by Canaan Equity II Offshore CV, Canaan Equity III Offshore CV, Canaan Equity Offshore CV. (Attachments: # 1 Exhibit A)(Maslan, Robert) (Entered: 04/29/2008)
05/05/2008	158	ORDER granting 147 Motion to Stay. Signed by Judge Peter C. Dorsey on 5-2-08. (Miller, K.) (Entered: 05/05/2008)
05/07/2008	159	MOTION for Clarification 158 Order on Motion to Stay by The Estate of Yaron Ungar. (Attachments: # 1 Memorandum in Support, # 2 Text of Proposed Order)(Strachman, David) (Entered: 05/07/2008)
05/09/2008	160	ELECTRONIC ORDER denying 159 Motion for Clarification 158 Order on Motion to Stay. The previously entered order clearly articulates the intention to stay the matter until a final decision of all appeals of the pending motion in Rhode Island. Signed by Judge Peter C. Dorsey on 5/9/08. (Villano, P.) (Entered: 05/09/2008)
05/12/2008	161	MOTION to Seal Memorandum in Further Support dkt #117 by David Strachman. (Strachman, David) (Entered: 05/12/2008)
05/13/2008	162	ELECTRONIC ORDER granting 161 Motion to Seal Memorandum in Further Support dkt #117. Signed by Judge Peter C. Dorsey on 5/13/08. (Villano, P.) (Entered: 05/13/2008)
05/13/2008	163	ENTERED IN ERROR: NOTICE by The Estate of Yaron Ungar <i>NOTICE OF APPEAL OF ORDERS OF MAY 5, 2008 and MAY 9, 2008</i> (Strachman, David) Modified on 5/16/2008 (Falcone, K.). (Entered: 05/13/2008)
05/13/2008	164	NOTICE OF APPEAL as to 160 Order on Motion for Clarification, 158 Order on Motion to Stay by The Estate of Yaron Ungar. Correcting Docket entry #163 (Falcone, K.) (Entered: 05/16/2008)
05/19/2008	165	USCA Appeal Fees received \$455 receipt number NO24595 re 164 Notice of Appeal filed by The Estate of Yaron Ungar (Falcone, K.) (Entered: 05/19/2008)
07/03/2008	166	Index to Record on Appeal by The Estate of Yaron Ungar re 164 Notice of Appeal, 148 Memorandum in Support of Motion, 160 Order on Motion for Clarification, 154 Exhibit, 152